

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SAGENT TECHNOLOGY, INC * CIVIL ACTION JFM-02-2505
Plaintiff

vs. Baltimore, Maryland

MICROS SYSTEMS, INC. *
Defendant * January 22, 2003

* * *

Deposition of SCOTT CALLNIN, a witness of
lawful age, taken on behalf of the Plaintiff in the
above-entitled cause, pending in the District Court of
the United States for the District of Maryland, before
Dawn L. Venker, a Notary Public in and for Baltimore
County, Maryland, at 7031 Columbia Gateway Drive,
Columbia, Maryland 21046, on the 22nd day of January,
2003.

* * *

APPEARANCES:

SCOTT H. PHILLIPS, Esquire
For the Plaintiff

MICHAEL H. TOW, Esquire
For the Defendant

ALSO PRESENT: PETER ROGERS, JR.

Reported By: Dawn L. Venker

78

1 Q Do you recall language about the notion
2 that the software would be returned to Sagent?
3 A I don't think we had discussions about the
4 possibility of needing to return it strictly because of
5 the upbeat nature of going forward with the project and
6 being able to find some clients eventually for this.
7 Q Let me ask you about another meeting that
8 the documents produced to date reflect occurred. That
9 was on May 10, 2000. Do you recall attending a meeting
10 on that date with regard to this particular software
11 package?
12 A No. I don't recall a May 10 meeting. I
13 recall specifically one meeting which I'm quite certain
14 was the June 6th. I heard some reference here to May
15 10, but I don't recall that at least in the context of
16 this software agreement.
17 Q Do you recall any discussion at any time --
18 any statement at any time from a Sagent representative
19 which indicated that Sagent would resell any licenses
20 that MICROS was unable to sell?
21 A Once again.

79

1 Q Can you recall any statement made by any
2 Sagent representative at any time which indicated that
3 Sagent had agreed to resell any licenses that MICROS
4 was not able to sell?
5 A No. I don't think it was that they would
6 resell. It was that they would help us resell those
7 licences that we were talking about prepurchasing.
8 Q And again did that come from Mr. Garrett?
9 A Yes. It would have been.
10 Q Was that the May 6th meeting -- June 6th
11 meeting?
12 A Yeah. That was from the one meeting I
13 attended which I'm pretty sure was the June 6th and not
14 the other date that's brought up.
15 Q Apart from the June 6th meeting, did you
16 attend any other meeting where Sagent personnel were
17 present and indicated that MICROS could return the
18 software and the calculator to Sagent for a full refund
19 if MICROS couldn't resell it or relicense it?
20 A I was not involved with additional meetings
21 beyond that on.

80

1 Q One of the allegations in MICROS
2 counter-claim is that MICROS elected to license the
3 Sagent software directly from Sagent based in
4 substantial part on representations made by Sagent
5 personnel. Is that your understanding?
6 A Can you restate the claim again?
7 Q The allegation is that MICROS elected to
8 license this particular software directly from Sagent
9 based in substantial part on representations made by
10 Sagent personnel.
11 A Representations that they would help us
12 resell it. That they would act on their, as I said,
13 prior agreements to be a 50-50 partner.
14 Q Specifically the allegation says that
15 decision was based "in substantial part on those
16 representations." Do you have an understanding that
17 there were other factors that went into MICROS'
18 decision to license the software directly from Sagent?
19 A Once against with the statement.
20 Q The allegation indicates that MICROS
21 decided to license the software directly from Sagent in

81

1 substantial part based on the representations made by
2 Sagent. That leads me to believe that there may have
3 been other factors that went into that decision, and
4 I'm asking you if you are aware of any other factors in
5 that regard?
6 A That substantial basis was probably, you
7 know, a reference to again their comments that they
8 would help to sell the product.
9 If there were other issues, it would be in
10 regard to my frustrations that I had been expressing to
11 my superiors about having to do -- spending so much
12 time on doing the billings, not having the invoices
13 correct, just general accounting errors that we had to
14 continually follow up on, and also I had expressed a
15 concern of them not following up on, again, the idea of
16 50-50 partnership when it came to development work.
17 Nonclient paying projects. It was very evident that
18 they were not willing to put anybody on typical R&D
19 type stuff unless it was a fully paying client who was
20 going to pay them for their time.
21 Q One of the other allegations in the counter

21 (Pages 78 to 81)